

ENTERPRISEFLORIDA

Partnering To Shape Florida's Future

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PARTNER INFORMATION

QUALIFIED TARGET INDUSTRY TAX REFUND

Effective July 1, 1999

The **Qualified Target Industry** (QTI) Tax Refund is a tool available to Florida communities to encourage quality job growth in targeted high value-added businesses.

Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per new job created; \$6,000 in an Enterprise Zone or Rural County. For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

If approved, the applicant may receive refunds on the taxes it pays. This includes corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25 percent of the total refund approved may be taken in any single fiscal year.

ELIGIBILITY

In order to participate, a company must apply to Enterprise Florida **prior to making a decision** to locate or expand in Florida.¹ In order to qualify for consideration under the program, an applicant must:

- Be in a target industry (see attached Target Industries List).
- Demonstrate that the tax refund is necessary for the business to locate or expand in the community.
- Create at least 10 new Florida jobs and; if an expansion project, increase employment by at least 10 percent. For a project located in a rural community or an enterprise zone, the net increase in employment may be less than 10 percent in special circumstances.
- Pay an average annual wage that is at least 115 percent of the state, metropolitan statistical area (MSA), or the local average wages. For a project located in a rural county, rural community or an enterprise zone, the wage requirement may be waived in special circumstances.
- Show that the jobs make a significant economic contribution to the area economy and;
- Provide a resolution from the city or county commission recommending the applicant for the

¹ All final decisions on applications are based upon all available information at that time. Any business decisions, such as announcements, leasing of space or hiring of employees, made prior to final QTI approval (and not made contingent upon QTI approval) will likely be grounds for disapproval. Projects, which clearly do not require inducement, will not be approved.

incentive and committing the community to provide a local match equaling 20 percent of the tax refund². If located in a Rural County, the business may elect to be exempt from the local match and accept a refund equal to 80 percent of the refund for which they would otherwise qualify.

APPLICATION PROCESS

- EFI staff will shepherd businesses and communities through the entire application process, ensuring that the company and community understand what is required for a complete, effective application.
- Enterprise Florida reports its evaluation of the application and recommendation to the Director of OTTED who makes the final decision on the project. (While the law allows a total of 45 days to evaluate the completed application, this process will be accomplished within 10 days.)

APPROVAL PROCESS

- OTTED's approval or disapproval of the application is in the form of a final order.
- If the application is approved, the final order will indicate the amount and schedule of tax refunds approved, as well as the number of jobs and average wage rate for the project jobs. These must be the same as stated in the application.
- While the law grants OTTED 30 days to approve or disapprove an application, a final decision will typically be rendered within 3 days.
- Once the QTI application is approved, the business will begin working directly with OTTED to finalize the tax refund agreement. Within 30 days of issuance of the final order, the QTI business and the Director of OTTED must sign a written tax refund agreement.

REFUND PROCESS

- The business submits a claim each year for the scheduled tax refund and the community must pay its local match into the Economic Development Trust Fund.
- If all the terms of the tax refund agreement are met, then OTTED pays the refund.

QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND

TARGET INDUSTRIES LIST

Effective September 1, 1996

² In advance of a company-specific resolution, a letter from the authorized local economic development agency endorsing the project and indicating that local funding sources exist may be accepted. The local governing authority shall by resolution designate the authorized local economic development authority.

CORPORATE HEADQUARTERS	BUSINESS SERVICES
RESEARCH AND DEVELOPMENT	SECURITY AND COMMODITY BROKERS
CHEMICALS AND ALLIED PRODUCTS	INSURANCE CARRIERS
RUBBER AND MISC. PLASTICS	HOLDING AND OTHER INVESTMENT OFFICES
PRIMARY METAL INDUSTRIES	NON-DEPOSITORY CREDIT INST.
FABRICATED METAL PRODUCTS	MOTION PICTURES – Only motion picture sound recording and reproducing studios
INDUSTRIAL MACHINERY AND EQUIPMENT	COMMUNICATIONS
ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	APPAREL AND OTHER TEXTILES
TRANSPORTATION EQUIPMENT	LUMBER AND WOOD PRODUCTS
INSTRUMENTS AND RELATED PRODUCTS	FURNITURE AND FIXTURES
MISCELLANEOUS MANUFACTURING	PAPER AND ALLIED PRODUCTS
PRINTING AND PUBLISHING	FOOD AND KINDRED PRODUCTS
WHOLESALE DISTRIBUTION	STONE, CLAY AND GLASS

Only businesses serving multi-state and/or international markets are targeted. Business must be able to locate in other states. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration.